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SECURITY INFORMATION

INFORMATION REPORT

REPORT NO.

CD NO.

COUNTRY Yugoslavia

DATE DISTR. 2 Sept. 1952

**SUBJECT - Yugoslav Negotiations with Heinkelwerke
Concerning Jet Turbine Engines**

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PLACE
ACQUIRED

SUPPLEMENT TO
REPORT NO.

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1. The development and construction of jet turbine engines by the Heinkelwerke, Stuttgart, Germany, on behalf of the Yugoslavs, is being disguised in the following manner:

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- b. The agreement between Jugoinport and Heinkel of 8 May 1952, has been theoretically transferred to Biga Anstalt. The latter has entered into a fictitious agreement with Heinkel, under which the latter is to develop and construct jet turbine engines on its behalf, allegedly for locomotives.
- c. Professor Heinkel suggested that Jugoinport should enter into a similar fictitious agreement with Biga Anstalt, but the Yugoslavs have refused to do this.
- d. Heinkel has received the necessary permission from the authorities to develop and construct jet turbines on behalf of Biga Anstalt.

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2. On 23 June 1952, Professor Heinkel informed Jugoinport that the first Yugoslav payment of \$35,000 and all future payments under the 8 May agreement should be paid [redacted]

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3. Part of the Yugoslav payments to Biga Anstalt will be transferred to the Heinkelwerke, Stuttgart, as payments under the agreement between the two.

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- 2 -

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4. The first of the Yugoslav technicians, Engineer Stojanovic, who will participate in the development and construction work in Stuttgart, plans to go there immediately.

25X1 [redacted] contains information on earlier negotiations between Heinkelwerke and Yugoslav officials.

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